

GUIDANCE REGARDING FY 2000 \$10 MILLION IHCIF

Non-Recurring Distribution While Consultation is Continued

The Director, IHS has decided to distribute the \$10 million IHCIF on an interim basis while continuing consultation to finalize a permanent methodology to apply in FY 2001 and afterwards. The FY 2000 IHCIF distribution will be **non-recurring**. Distribution of the \$10 million, plus any additional IHCIF funds the Congress may appropriate for FY 2001, will be distributed on a recurring basis in FY 2001 following finalization of an IHCIF methodology, and full tribal consultation on that methodology.

Interim Distribution Formula with Two Parts

The Director decided to distribute the \$10 million IHCIF using an interim 2-part approach applicable only to FY 2000. \$9 million is distributed using the IHCIF formula recommended by the LNF workgroup and \$1 million is distributed using the Contract Health Services (CHS) formula. Both the \$9 million and \$1 million allocations are 1-year H&C funds. The CHS formula was used, but no 2-year CHS funds are involved. All IHCIF funds must be obligated during FY 2000.

Distribution Among Local Units

Tables showing the IHCIF distribution among all Areas are attached. Local units are listed in the second column labeled "Operating Unit". Amounts for qualifying units are listed in the next to last column labeled "IHCIF Formula". Please be aware that units above the 60% LNF average receive no IHCIF funds in FY 2000. Units with low LNF receive proportional more funds than similar units funded at near 60%.

Amounts from the CHS formula are shown in the last column labeled "CHS Formula" but are not identified for specific local units. Distribute this amount among field units in manner consistent with actual usage patterns and equity principles found in the governing language (see last paragraph).

Not all units identified in the table are self-contained whole units. Many are collections of several overlapping parts (contracts, compacts, direct sites). The Area Office, with consultation, may distribute IHCIF funds received for multipart, overlapping units among the constituent parts based on actual usage patterns or similar equitable measures consistent with the governing language.

Language governing distribution of IHCIF funds (at the national and area level) is found in the Indian Health Care Improvement Act, Public Law (P.L.) 94-437, Section 102, which specifies distribution criteria based on "health status and resource deficiency" taking into account "cost of providing health care services given local geographic, climatic, rural, and other considerations."